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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-160-S - ORDER NO. 97-411
MAY 15, 1997

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IN RE: Application of Midlands Utility, Inc.) ORDER
for Approval of an Increase in Rates) APPROVING
and Charges for Sewer Service for its) CONTRACT
Customers in Richland, Lexington,)
Fairfield, and Orangeburg Counties.)

This matter comes before the Public Service Commission of South Carolina on the submission of a contract for approval by Midlands Utility, Inc. ("Midlands"). The contract is a "Wholesale Wastewater Agreement" ("Agreement") between Midlands and the City of Orangeburg ("City"). The contract was submitted pursuant to 26 S.C. Code Regs. 103-541 (Supp.1996).

The Agreement provides for the treatment of wastewater by the City for wastewater discharged by Midlands' customers in the Northwood Estate Subdivision located near the City's corporate limits on U.S. Highway 301N. Midlands owns, operates, and maintains facilities for collecting wastewater from its retail customers in the Northwood Estate Subdivision near Orangeburg. Presently, Midlands operates its own treatment facility. The City owns, operates and maintains facilities for collecting and treating a large supply of wastewater. Midlands and the City agree that the agreement is in the best interest of both Midlands and the City whereby the City agrees to accept the wastewater for

treatment and whereby Midlands agrees to discharge wastewater at a reasonable rate.

The Commission has examined this matter and finds that it is in the best interest of Midlands and the customers of Midlands that the Agreement be approved. 26 S.C. Code Regs. 103-541 requires Commission approval of any agreement between a regulated utility and any agency of Federal, State or local government which would impact, pertain to, or effect the utility's fitness, willingness, or ability to provide sewer service, including the collection or treatment of sewerage. Clearly, the contract at issue affects Midlands' ability to provide sewer service to its customers in Northwood Estate Subdivision, since Midlands is passing its treatment duties to the City. The Commission does find, however, that the Agreement is in the public interest, and therefore the Commission approves the Agreement as submitted.

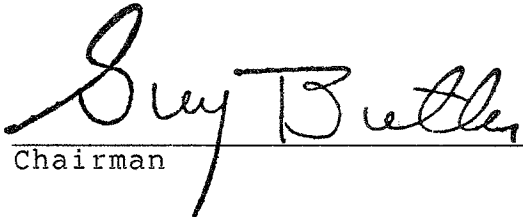
While the Commission approves the contract herein, the Commission will not and does not address the ratemaking treatment afforded or associated with the contract. All determinations concerning ratemaking treatment will be addressed in the context of the ratemaking hearing and subsequent Order which will be issued in this Docket.

IT IS THEREFORE ORDERED THAT:

1. The Agreement between Midlands and the City of Orangeburg for the treatment of wastewater by the City for wastewater discharged by Midlands' customers in the Northwood Estate Subdivision is approved.

2. This Order will remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)
